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KAL-A-881

Chief, Foreign Division K
Attention: [redacted]
Chief of Station, Vienna

2 July 1951

Operational

[redacted] Meeting with Inspector Wilhelm DIETRICH

Reference: KAL-A-452

1. [redacted] met with Inspector Wilhelm DIETRICH in Brno on 26 June 1951, in [redacted]'s hotel room at the Hotel Weissen Kreuz. [redacted] registered at the hotel with a forged Austrian identity card in the name of [redacted]. The meeting with DIETRICH had been pre-arranged by letter from [redacted] to DIETRICH's mother, as suggested by DIETRICH at the first meeting in April.
2. In the meantime, Jan GAJEWSKI had been interrogated by CIC. His and the interrogation report is attached to this report as Appendix 1. Contact between DIETRICH and CIC ceased in early June and DIETRICH was informed by CIC that someone else would probably contact him. He was therefore not greatly surprised to get [redacted]'s letter.
3. In the course of a three-hour meeting, DIETRICH submitted the following information on the Vorarlberg gendarmerie set-up, his relationship with GAJEWSKI and STEINBACH, and his operational capabilities:
 - a. The Vorarlberg Security Directorate

Vorarlberg is the only Austrian provincial capital without a federal police directorate. All police functions, including state police functions, are exercised by the gendarmerie; state police agencies are handled by the Investigation Section (Ermittlungsgruppe) of the gendarmerie, which is headed by DIETRICH. The Bruggen gendarmerie detachment and the Ermittlungsgruppe are responsible directly to Security Director Dr. Johann STEINBACH for operational guidance and control. Gendarmerie detachments in other Vorarlberg towns are responsible to the local district commissioner (Bezirkshauptmann). In administrative matters only, all gendarmerie personnel are subordinate to Colonel Friedrich HÄNL, the Landesgendarmeriekommmandant. The relations between STEINBACH and the French authorities are not cordial, and STEINBACH had limited official contact to the absolute minimum. The French, therefore, frequently circumvent STEINBACH by requesting assistance from Colonel HÄNL, despite the fact that the command situation in the gendarmerie has been frequently and amply explained to the French authorities. (DIETRICH showed [redacted] a letter written by the French Public Safety Officer to "Monsieur le Landesgendarmeriekommmandant, Colonel HÄNL", requesting the gendarmerie to

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investigate a person who had been denounced to the French anonymously as a Communist agent.) DINTREICH described HANDEL as a very correct official, to whom the frequent requests from the French are a matter of embarrassment. He refers all these requests to DINTREICH for action. The Investigation Section is also the recipient of many requests from Greengrocer I's office and DINTREICH criticized that office for sloveness, poor carding, and poor efficiency in general. He expressed a great deal of respect, however, for Greengrocer I personally.

b. The DINTREICH-MUELLER-DITSCHKAU Relationship

DINTREICH recruited Dr. Erich MUELLER in 1947 as an informant for the Verarbeitung Security Directorate. MUELLER and DINTREICH soon realized that they could not get along on the meager funds allotted them by the Austrian Government and MUELLER established the contact with Report MANEL, and later with DITSCHKAU. DINTREICH never met MANEL and all reports were passed via MUELLER who paid DINTREICH 2,000 Schillings a month on behalf of MANEL. MUELLER receives 500 Schillings a month from the Security Directorate, but Greengrocer I recently instructed STEINBACH to cut MUELLER's salary to 200 Schillings. The reasons for that reduction are unknown to DINTREICH, who does not see any of MUELLER's reports, which the latter passes directly to STEINBACH.

DINTREICH describes MUELLER as a capable but unscrupulous and loose-mouthed person who is not beyond compiling bits of information on U.S. intelligence in Germany, picked up from MANEL, into occasional reports which he passes to STEINBACH. STEINBACH recently refused to forward such a report to Greengrocer I on the grounds that such matters were of no interest to the Austrian Government. DINTREICH believes that MANEL confides too much in MUELLER. DINTREICH further believes that MUELLER is fabricating some of his information with the help of a small library of espionage literature and reference books which DINTREICH has seen in MUELLER's room. MUELLER maintains good contacts with the French IS and receives 500 Schillings a month from the French. DINTREICH believes that there is considerable danger of MUELLER passing copies of the reports destined for MANEL to the French. When OIS stopped paying DINTREICH in early June, MUELLER offered 2,000 Schillings to DINTREICH which he claimed to have obtained from MANEL. DINTREICH accepted since he needed funds to continue his operations.

DITSCHKAU has lately been supplying the Innsbruck police with embellished and fabricated information on the EPDs. He furthermore complained to DINTREICH that the U.S. was not paying him enough for his "newspaper work". So far, DITSCHKAU has not been employed by State Secretary Ferdinand GRAB's intelligence service and he told DINTREICH that the whole plan for a "GRAB I.S." had to be postponed indefinitely due to a shortage of funds. DINTREICH expressed again his conviction that DITSCHKAU was a dishonest person, a scoundrel and an intrigant.

c. The DINTREICH-GAJENSKI Relationship

I read pertinent parts of the GAJENSKI interrogation report to DINTREICH who agreed on a whole with GAJENSKI's statements made therein.

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but expressed the view that GAJENSKI worked primarily for WERNERTHAL and secondarily for GIC. When GAJENSKI introduced DIBRICH to "Mr. SIMON of GIC (WERNERTHAL), DIBRICH became suspicious and attempted to check on SIMON through police inspector Maximilian MATTER, who confirmed GAJENSKI's story and later told WERNERTHAL that DIBRICH had attempted to check on him. DIBRICH is certain that MATTER is on WERNERTHAL's pay roll and is now working for the Israeli I.S. in Klagenfurt. In the meantime, DIBRICH obtained indirect proof that WERNERTHAL is an important member of the Israeli I.S. (see MAB-A-602, Subject: Kurt HUGENT, Israeli I.S. Agent).

4. DIBRICH's Operational Capabilities

- (1) DIBRICH has access to gendarmerie files in Vorarlberg and can conduct investigations in Vorarlberg and Tyrol. There is close cooperation between Vorarlberg and Tyrol gendarmerie agencies, only the Innsbruck federal police directorate is not cooperative, and DIBRICH has to wait two or three months for answers to requests addressed to the Innsbruck police. DIBRICH has asked STEINBACH to make representations in this matter to the Security Directorate for Tyrol and he hopes that the situation will soon improve.
- (2) The following agents are on DIBRICH's pay roll at present; and have been identified to Greengrocer 1 by the following code letters:

Source A: A former SS Agent, at present a commercial traveller. He reports on East-West trade. (Source A is (fnn) KASCHITZA, mentioned in pages 5 - 9 of the GAJENSKI interrogation.)

Source B: A KPO member who maintains close contact with the Vorarlberg Landesleitung of the KPOs. This source is responsible for the LANGHANS and GEHRIG reports channelled to Ripper and Peage.

Source C: A woman employee of the Vorarlberg KPO daily "Neue Tageszeitung".

Source D: A former RSHA/VI agent, who reported on the French-sponsored resistance movement in Vorarlberg and Tyrol. According to DIBRICH, it was KASCHITZA who brought the resistance movement to the attention of Greengrocer 1 which led to official representations by the Austrian Government to General BREHOUART and finally caused the French to abandon their plans in this matter. Source D is at present inactive.

Source E: Emil HUETTERWAN, a police officer with the Spezialdienst, St. Gallen Cantonal Police, with whom DIBRICH carries on a semi-official liaison. HUETTERWAN is in contact with a Major Hans HAUFMANN, a Swiss I.S. officer who owns an optical firm in St. Gallen. DIBRICH has met HAUFMANN who appears to be concerned mainly with the collection of CB information on Soviet troops in the East Zone of Germany, and in the Balkans. He is also believed to work for the British I.S. During the war, HAUFMANN was attached to the Swiss General Staff. (If remembers correctly, one Major HAUFMANN was mentioned in late 1946 as a director of the Firm Internorda, and a Swiss I.S. officer, by the Vienna Station agent then handled by Hollins.) There is material on HAUFMANN in the files.)

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Source #1 Kurt HUGGET, Israeli I.S. Officer (See MA-4-563).

Source #1: A representative of the ZAKO Group.

(3) In addition, DIETRICH has a number of casual informants; one of them is the mother of a former Nazi who is now an army instructor in Syria. She supplied the names of Germans and Austrians serving in the Syrian Army, which DIETRICH passed to "Mr. SINGER of CIOS" (WINGENSTHAL). DIETRICH also maintains semi-official liaison with German police authorities in Linz, French Zone, Germany.

(4) DIETRICH requested 2,000 Schillings a month as an absolute minimum to carry on his operations. [] pointed out to DIETRICH that some of his reports on low-level KPD figures in Vorarlberg were of little interest to the U.S. and DIETRICH replied that he realized that, but was under instructions from Grammepcer 1 to report as extensively as possible on KPD matters. DIETRICH added that he would make every effort to be of service to us in reporting on foreign agents and in carrying out investigations at our request. He claimed to have been approached on several occasions by the French I.S., but to have turned the French down.

4. [] promised to meet DIETRICH again in about three weeks in Innsbruck where DIETRICH would like to travel [] expense in order to confer with gendarmerie officials there. It is [] opinion that DIETRICH is an efficient and correct person, who could be counted on as a reliable informant if it were made clear to him by Kipper that he could not [] remittances from NAME through MUELLER. (According to [] the NAME-DIETRICH connection is in the process of being severed.) As long as Kipper continues to pay DIETRICH, there is little point in buying second copies of his reports. Regarding MUELLER, DIETRICH believes that NAME should continue paying him a few hundred Schillings per month since DIETRICH believes MUELLER capable of eventually going over completely to the French and possibly to the Soviets, if his income from the U.S. and Grammepcer 1 were reduced to the 200 Schillings a month paid by the latter. [] formed the impression that something was left unexplained in the DIETRICH-MUELLER relationship and it is hoped that some more light might be thrown on this matter by DIETRICH in the future, if he gets to know [] better.

5. We believe that the direct DIETRICH contact is worth exploring for at least three months and are preparing a provisional project outline to cover an expenditure of 2,000 Schillings per month. [] has given DIETRICH \$100 Schillings from [] funds as a sign of good faith. If we can achieve exclusive control over DIETRICH, we should have a long range police contact of the caliber of [] (in his OAS job). Meanwhile, we may develop interesting information on the French I.S., Kipper and on DIETRICH's Swiss and German contacts.

cc: []

cc: Vien

cc: Sale

cc: []

cc: PUB

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